

# Audit



# Report

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OFFICE OF THE INSPECTOR GENERAL

DEFENSE BASE REALIGNMENT AND CLOSURE  
BUDGET DATA FOR THE REALIGNMENT OF THE  
301ST RESCUE SQUADRON, AIR FORCE RESERVE,  
FROM HOMESTEAD AIR FORCE BASE, FLORIDA,  
TO PATRICK AIR FORCE BASE, FLORIDA

Report No. 96-110

May 7, 1996

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Department of Defense

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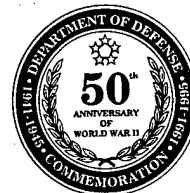
### **Acronyms**

AFB  
BRAC  
MILCON

Air Force Base  
Base Realignment and Closure  
Military Construction



**INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202-2884**



Report No. 96-110

May 7, 1996

**MEMORANDUM FOR ASSISTANT SECRETARY OF THE AIR FORCE  
(FINANCIAL MANAGEMENT AND COMPTROLLER)**

**SUBJECT:** Audit of Defense Base Realignment and Closure Budget Data for the Realignment of the 301st Rescue Squadron, Air Force Reserve, From Homestead Air Force Base, Florida, to Patrick Air Force Base, Florida (Project No. 6CG-5001.30)

**Introduction**

We are providing this report for your information and use. The audit was required by Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991. Enclosure 1 provides details on the history of the Defense Base Realignment and Closure (BRAC) process and on our auditing and reporting requirements.

This report is one in a series of reports about FY 1997 BRAC military construction (MILCON) costs. The report provides the results of the audit of project SXHT959002, "Pararescue Training Facility," valued at \$2.7 million; project SXHT959004, "Corrosion Control/Fuel Cell Maintenance Facility," valued at \$2.7 million; and project SXHT959011, "Miscellaneous Maintenance Shops," valued at \$500,000. The projects resulted from the realignment of the 301st Rescue Squadron, Air Force Reserve, from Homestead Air Force Base (AFB), Florida, to Patrick AFB, Florida.

**Audit Results**

The Air Force Reserve adequately justified the requirements and cost estimates programmed for projects SXHT959002, SXHT959004, and SXHT959011, which totaled \$5.9 million. The requirements and cost estimates submitted on the DD Forms 1391, "FY 1997 Military Construction Project Data," were fully documented and based on economic analyses that effectively considered the availability of existing facilities.

**Audit Objectives**

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. The specific objectives were to determine whether the proposed projects were valid BRAC requirements, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. The audit also assessed the adequacy of the management control program as it applied to the overall audit objective. The management control program objective will be discussed in a summary report on FY 1997 BRAC MILCON budget data.

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## Scope and Methodology

**Scope of This Audit.** We examined the FY 1997 BRAC MILCON budget request, economic analysis, and supporting documentation for three BRAC MILCON projects regarding the realignment of the 301st Rescue Squadron to Patrick AFB, Florida. The projects are listed in the following table and were estimated to cost \$5.9 million.

### FY 1997 BRAC MILCON Project Costs for Realignment of the 301st Rescue Squadron

<u>Project Number</u>	<u>Project Title</u>	<u>Estimated Cost (millions)</u>
SXHT959002	Pararescue Training Facility	\$ 2.7
SXHT959004	Corrosion Control/Fuel Cell Maintenance Facility	2.7
SXHT959011	Miscellaneous Maintenance Shops	<u>.5</u>
<b>Total</b>		<b>\$ 5.9</b>

We did not use computer-processed data or statistical sampling procedures to conduct this audit. See Enclosure 1 for additional information on the overall scope of the audit of BRAC MILCON costs

**Audit Period, Standards, and Locations.** This economy and efficiency audit was conducted in February 1996 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Enclosure 3 lists the organizations visited or contacted during the audit.

## Prior Audits and Other Reviews

Since 1991, numerous audit reports have discussed DoD BRAC issues. Enclosure 2 contains a summary of prior coverage related to the audit objectives.

## Audit Background

**Recommendation on Realignment.** The 1993 Commission on Defense Base Closure and Realignment (the Commission) recommended that the 301st Rescue Squadron be temporarily located at Patrick AFB, pending reconstruction of facilities at Homestead AFB that had been destroyed by Hurricane Andrew in 1992. The 1995 Commission recommended that the squadron be permanently realigned to Patrick AFB.

**Mission of the 301st Rescue Squadron.** The 1995 Commission recommendation was based on an initiative to have Reserve Components of the Military Departments assume a greater role in DoD peacetime missions. As

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part of the initiative, the 301st Rescue Squadron assumed primary responsibility for Space Shuttle support and range clearing operations at Patrick AFB. Although the duties could be performed if the squadron remained at Homestead AFB, expensive temporary duty arrangements would be required, and extensive scheduling difficulties and the dislocation of the 301st Rescue Squadron mission from its beddown site would result.

## **Discussion**

**Requirement for Project SXHT959002.** The realignment of the 301st Rescue Squadron established a requirement for construction of a new pararescue training facility at Patrick AFB, Florida. The facility will provide administrative, operational, maintenance, storage, and ancillary spaces for the 301st Rescue Squadron. The facility will accommodate approximately 50 personnel and 16 aircraft.

**Justification for Space Requirements.** The Air Force Reserve properly justified the space requirements for project SXHT959002. The facility is needed because no existing facilities are available that can be renovated to meet the requirements. The Air Force Reserve properly determined space requirements of 21,000 gross square feet for the facility, using standards in the Air Force Handbook 32-1084, "Standard Facility Requirements Handbook, Civil Engineering," July 31, 1995.

**Support for Estimated Costs.** The Air Force Reserve properly supported the estimated costs programmed for project SXHT959002. The Air Force Reserve also validated the space requirements and cost data.

**Requirement for Project SXHT959004.** The realignment of the 301st Rescue Squadron also established a requirement to expand the existing hangar area of building 647 to enclose one C-130 or one HH-60 aircraft. The expanded facility will be used for the repair and maintenance of aircraft fuel systems and corrosion control of both types of aircraft. Corrosion control consists of washing, rinsing, and spot painting small surface areas on the aircraft.

**Support for Space Requirements.** The Air Force Reserve properly planned, programmed, and documented the requirements for project SXHT959004. The DD Form 1391, requirements document, and economic analysis supported the renovation of 8,000 square feet of space in existing facilities for repairs, maintenance, and corrosion control functions.

**Support for Cost Estimates.** The Air Force Reserve properly supported the cost estimates for project SXHT959004. The Air Force Reserve also validated the cost data programmed for the project.

**Requirements for Project SXHT959011.** The realignment of the 301st Rescue Squadron established a requirement to renovate three existing buildings for miscellaneous maintenance shops to perform various operations. Building 750 requires minor renovations and remodeling to accommodate the maintenance supply liaison, pneudraulics, and electric and environmental operations.

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Building 632 requires remodeling to accommodate the nondestructive inspections operations and the administrative area. Building 1433 requires renovation to accommodate the chaff and flare inspection/build-up operations.

**Justification of Space Requirements.** The Air Force Reserve properly planned, programmed, and documented the requirements for project SXHT959011. The DD Form 1391, requirements documentation, and economic analysis supported the renovation of existing facilities for the functions programmed.

**Support for Cost Estimates.** The Air Force Reserve properly supported the cost estimates for project SXHT959011. The Air Force Reserve also validated the cost data for the project.

### Management Comments

We provided a draft of this report to you on March 29, 1996. Because the report contained no findings or recommendations, comments were not required, and none were received. Therefore, we are publishing this report in final form.

We appreciate the cooperation and courtesies extended to the audit staff. For additional information on this report, please contact Mr. Garold E. Stephenson, Audit Program Director, at (703) 604-9332 (DSN 664-9332) or Mr. Charles M. Hanshaw, Audit Project Manager, at (703) 604-9256 (DSN 664-9256). Enclosure 4 lists the planned report distribution. The audit team members are listed inside the back cover.



David K. Steensma  
Deputy Assistant Inspector General  
for Auditing

Enclosures

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## **Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs**

**Commission on Defense Base Closure and Realignment.** On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the Defense Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress.

**Required Defense Reviews of BRAC Estimates.** Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

**Military Department BRAC Cost-Estimating Process.** To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model. The Cost of Base Realignment Actions computer model uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1997 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The Cost of Base Realignment Actions computer model provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

**Limitations and Expansion to Overall Audit Scope.** Because the Cost of Base Realignment Actions computer model develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON

**Background of Defense Base Realignment and Closure and Scope of the Audit of  
FY 1997 Defense Base Realignment and Closure Military Construction Costs**

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project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

**Overall Audit Selection Process.** We reviewed the FY 1997 BRAC MILCON \$820.8 million budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least \$1 million for each group. We also reviewed those FY 1996 BRAC MILCON projects that were not included in the previous FY 1996 budget submission, but were added as part of the FY 1997 BRAC MILCON budget package.

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## Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This enclosure lists the summary reports for the audits of BRAC budget data for FYs 1992 through 1996 and BRAC audit reports published since the summary reports.

### Inspector General, DoD

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-104	Defense Base Realignment and Closure Budget Data for the Construction of the Overwater Antenna Test Range Facility at Newport, Rhode Island	April 26, 1996
96-101	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Barbers Point, Hawaii, and Realignment of P-3 Aircraft Squadrons to Naval Air Station Whidbey Island, Washington	April 26, 1996
96-093	Summary Report on the Audit of Defense Base Realignment and Closure Budget Data for FYs 1995 and 1996	April 3, 1996
94-040	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994	February 14, 1994
93-100	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993	May 25, 1993

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## **Organizations Visited or Contacted**

### **Department of the Air Force**

Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment), Washington, DC

Deputy Assistant Secretary of the Air Force (Installations), Washington, DC

Headquarters, Air Force Reserve, Robins Air Force Base, GA

301st Rescue Squadron, Patrick Air Force Base, FL

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House Subcommittee on Military Construction, Committee on Appropriations  
House Subcommittee on National Security, Committee on Appropriations  
House Committee on Government Reform and Oversight  
House Subcommittee on National Security, International Affairs, and Criminal  
Justice, Committee on Government Reform and Oversight  
House Committee on National Security

Honorable Bob Graham, U.S. Senate  
Honorable Connie Mack, U.S. Senate  
Honorable Dave Weldon, U.S. House of Representatives

## **Audit Team Members**

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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Garold E. Stephenson  
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Cheryl C. Henderson

## INTERNET DOCUMENT INFORMATION FORM

**A . Report Title:** Defense Base Realignment and Closure Budget Data for the Realignment of the 301<sup>st</sup> Rescue Squadron, Air Force Reserve, from Homestead Air Force Base Florida, to Patrick Air Force Base, Florida

**B. DATE Report Downloaded From the Internet:** 12/06/99

**C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #):** OAIG-AUD (ATTN: AFTS Audit Suggestions)  
Inspector General, Department of Defense  
400 Army Navy Drive (Room 801)  
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